

U.S.C.A.—7th Circuit
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In further support of this motion, the Receiver advises the Court as follows:

Background

1. This case is a class action brought under 42 U.S.C. §§1981 & 1983 alleging that *de jure* housing segregation practiced by CHA violated the rights of CHA tenants under the Fourteenth Amendment. In 1969 Judge Austin found the CHA liable for intentional segregation. 296 F. Supp. 907 (N.D. Ill. 1969). He entered a permanent Injunction, 304 F. Supp. 736 (N.D. Ill. 1969), which, as subsequently amended, imposes locational restrictions on housing development activities of CHA. The District Court appointed the Receiver in 1987 to implement the Court's desegregation remedies after CHA's long failure to do so. The Receiver's jurisdiction includes the development of new, non-elderly public housing in Chicago.

2. This Court has decided several appeals in this lawsuit, the most recent one on May 28, 1999. Gautreaux v. CHA, Nos. 98-1807, 98-2311, 98-3145 (dismissing appeals for lack of jurisdiction).

3. The proposed intervention complaint that is the subject of this appeal sought injunctive relief against the Receiver. The Receiver opposed intervention for the purpose of prosecuting the complaint against it. The Receiver is therefore an appellee with respect to LCO's appeal. The Receiver is submitting a Docketing Statement pursuant to Seventh Circuit Rule 3(c) in conjunction with this motion to dismiss.^{1/}

^{1/} Although the Receiver may not need formal permission from the District Court in order to participate in this appeal, see Holland v. Sterling Enterprises, Inc., 777 F.2d 1288, 1291-92 (7th Cir. 1985) (receiver may defend claims against estate in his possession); Troelstrup v. Index Futures Group, Inc., 130 F.3d 1274, 1276-77 (7th Cir. 1997), to eliminate any question concerning the Receiver's authority it has filed a motion in the District Court for leave to participate in this appeal. See Gautreaux, supra, May 28, 1999 Slip Op. at 7 n.1.

The First Motion to Intervene

4. On November 23, 1998 the LCO filed its first motion to intervene ("Motion I"). Attached was a proposed intervention complaint, with exhibits ("Complaint I"). A copy of the Motion I and Complaint I is attached as Exhibit A.

5. Complaint I contained a one-count claim against CHA for breach of a contract dated September 22, 1995 ("1995 Agreement"). According to Complaint I, CHA had promised in the 1995 Agreement not to demolish four crumbling high-rises (which had been vacant for nearly a decade) until certain preconditions had been met concerning the funding and development of replacement housing units. In alleged violation of the 1995 Agreement, CHA had plans to demolish the high rises in early December without satisfying the preconditions. Complaint I ¶¶3-9.

6. Complaint I included alternative prayers for injunctive relief. First, LCO sought temporary injunctive relief to halt the demolition until the alleged preconditions were satisfied. Alternatively, the LCO asked, if demolition were permitted, for an injunction "requiring defendants to comply with its [sic] commitments under the 1995 Agreement within a set period of time after the demolition, including commencing of construction of all the units, both on-site and off-site, and completing them within 20 months, as provided in ¶15 [of the 1995 Agreement]." Ex.A, Complaint I at 6.

7. CHA and the Receiver filed briefs in response to Motion I. CHA asserted, among other things, that Motion I failed to satisfy the timeliness requirements of Fed. R. Civ. P. 24. The Receiver responded that the requested relief should be denied because it would perpetuate a public nuisance and impair the Receiver's housing development efforts.

8. The District Court denied Motion I in an order dated December 10, 1998. See Ex.B hereto (“December 10 Order”). It held that the attempted intervention was not “timely” since the LCO had known of the planned demolition for several months and delayed its attempted intervention until after destructive pre-demolition activities had occurred. It also ruled, in the alternative, that it would have denied the injunctive relief on its merits.

LCO Fails to Appeal the Denial of Motion I

9. The December 10 Order was immediately appealable by the LCO, see, e.g., B.H., 984 F.2d at 199 (and authorities therein). The LCO filed no appeal and no Rule 59(e) motion in response to that order. It therefore waived its rights to appeal. Id. (denial of intervention “must be appealed within 30 days or not at all”); United States v. City of Milwaukee, 144 F.3d 524, 528 (7th Cir. 1998).

The Second Motion to Intervene

10. On February 12, 1999, LCO filed what it called a “Second Motion” to intervene (“Motion II”). See Ex.C hereto. Motion II and the proposed complaint attached to it (“Complaint II”) were nearly identical to their respective predecessors. Because the attempt to enjoin the demolition had failed and the demolition had already occurred, Complaint II deleted the now-moot prayer for an injunction barring the demolition. The rest of Complaint II was substantively identical to Complaint I. It again alleged breach of contract arising out of CHA’s decision to demolish the four high-rises, and it again sought to impose a rigid and impossible construction schedule on the Receiver to remedy CHA’s alleged breach.

11. As noted above, after briefing, the District Court denied Motion II in a minute order dated April 7, 1999 ("April 7 Order"). See Ex.D hereto. This appeal is from that Order.^{2/}

Appellate Jurisdiction is Lacking Under B.H.

12. Appellate jurisdiction is lacking and the appeal should be dismissed, because the LCO's second intervention motion, which gave rise to the order under appeal, constitutes a nearly carbon copy of a previous intervention motion, the denial of which the LCO failed to appeal.

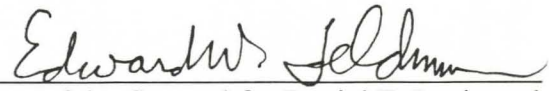
13. B.H. v. Murphy, 984 F.2d 196 (7th Cir. 1993), requires dismissal. In that case the Cook County Public Guardian filed successive motions to intervene in a class action against Illinois' Department of Children and Family Services. It failed to file a timely appeal or reconsideration motion of the first denial. This Court dismissed the second appeal as untimely because of the Guardian's "improper attempt, by filing a virtually identical intervention motion, to circumvent his failure to appeal the first [intervention] motion's denial within the required time." 984 F.2d at 199. See also Latham v. Wells Fargo Bank, 987 F.2d 1199, 1203 (5th Cir. 1993) ("a Rule 60(b) motion may not be used as a substitute for a timely appeal"); 12 J.W. Moore, Moore's Federal Practice, §60.69 (3d Ed. 1999). "Thus, we have frequently upheld district court decisions denying Rule 60(b) motions where it appeared that Rule 60(b) was being used as a substitute for a timely appeal." Latham, 987 F.2d at 1203.

^{2/} As noted in the Receiver's Docketing Statement filed herewith, on April 29, 1999 the LCO also filed an untimely motion for "clarification" under Rule 59(e), which did not toll the time for appealing the April 7 Order. That motion was "granted" in an order dated May 6, 1999, setting forth reasons for the denial of intervention in the April 7 Order. On May 20, 1999 the LCO filed a Rule 59(e) motion to alter or amend the May 6 Order. A briefing schedule has been set by the District Court and that motion remains pending.

14. Under B.H., the LCO's failure to appeal the denial of Motion I precludes appeal of the merits of the intervention issue. Its bringing a second intervention motion more than 30 days later should be rejected as an attempt "to circumvent [its] failure to appeal the first motion's denial within the required time." B.H., 984 F.2d at 199. The appeal should be dismissed, and the Court should grant such other relief as it deems just and proper.

Respectfully submitted;

Date: June 1, 1998

A handwritten signature in cursive script, appearing to read "Edward W. Feldman".

One of the Counsel for Daniel E. Levin and
The Habitat Company, as Receiver Pursuant
to the Court's Order of August 14, 1987

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Barry A. Miller
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CERTIFICATE OF SERVICE

The undersigned, an attorney, hereby certifies that on June 1, 1999 he served copies of the ***Motion to Dismiss Appeal*** on the parties listed below by causing true and correct copies thereof to be delivered to them via messenger delivery at their respective addresses.

Dated: June 1, 1999

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Edward W. Feldman

RT
OIS *RT* *EG*

Judge Marvin
U.S. District

66 C 1459

Hon. Marvin E. Aspen

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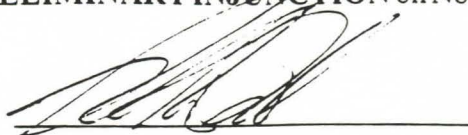
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One of Movant's Attorneys

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Certificate of Service

I, Richard M. Wheelock, an attorney, certify that I caused to be hand delivered to the counsel on the attached service list copies of **EMERGENCY MOTION OF THE LAKEFRONT COMMUNITY ORGANIZATION TO INTERVENE** and **INTERVENOR'S MOTION FOR TEMPORARY RESTRAINING ORDER AND PRELIMINARY INJUNCTION** on November 23, 1998.



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IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

DOROTHY GAUTREAUX, <i>et al.</i> ,	)	
	)	
Plaintiffs,	)	66 C 1459
	)	
v.	)	Hon. Marvin E. Aspen
	)	
CHICAGO HOUSING AUTHORITY and	)	
JOSEPH SHULDINER, Executive Director,	)	
	)	
Defendants.	)	

**EMERGENCY MOTION OF THE
LAKEFRONT COMMUNITY ORGANIZATION TO INTERVENE**

The Lakefront Community Organization ("LCO"), by its attorneys of the Legal Assistance Foundation of Chicago, moves this Court for leave to intervene in order to assert the claims set forth in its proposed complaint, a copy of which is attached hereto. In support of this motion, LCO states as follows:

1. Rule 24(a)(2) of the Federal Rules of Civil Procedure allows intervention of right where the applicant seeking intervention claims to be so situated that a ruling or disposition in the litigation may impair or impede the applicant's interest, and that interest is not adequately represented by the existing parties. See Gautreaux v. Pierce, 548 F. Supp. 1284, 1287 (N.D.Ill. 1982).
2. Rule 24(b)(2) of the Federal Rules of Civil Procedure also permits intervention when an applicant's claim or defense and the main action have a question of law or fact in

common. A less stringent standard may be applied if an applicant seeks intervention for a very limited purpose rather than full participation in the litigation. 6 James Wm. Moore et al., Moore's Federal Practice ¶ 24.11 (3rd ed. 1998).

3. The LCO represents former tenants of 3939 South Lake Park Avenue, 3983 South Lake Park Avenue, 4040 South Oakenwald, 1130 East 41st Street, 4155 South Lake Park, 1132 East 42nd Street (hereinafter "Lakefront properties").

4. The LCO incorporates herein by reference ¶¶ 1 - 28 of LCO's complaint.

5. The order entered by this Court on June 3, 1996 authorizes the construction of 241 units of replacement housing in the North Kenwood/Oakland neighborhood and affords families displaced from the Lakefront Buildings first priority for those units. This Court also oversees the implementation of the scattered site program. The LCO, as the representative of those families, now seeks CHA compliance with the 1995 Agreement upon which this Court's order was predicated, including the construction of the units authorized by this Court.. As such, the LCO should be granted permission to intervene as a matter of right, or, in the alternative, should be permitted intervention since the LCO's claims present common questions of fact and law.

6. The LCO is not a party to the Gautreaux litigation, is not represented by either party, and has interests that are distinct from the interests of both parties.

7. The CHA is adverse to the LCO, in that it has breached the 1995 Agreement, as described above. The Gautreaux plaintiffs' are not signatories to the 1995 Agreement and therefore are not the proper parties to enforce the terms of the Revised Agreement.

WHEREFORE, the LCO moves this Court to permit it to intervene for the purpose of filing the attached complaint against the CHA.

Respectfully submitted,


One of LCO's Attorneys

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IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
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DOROTHY GAUTREAUX, et al.,	)	
	)	
Plaintiffs,	)	66 C 1459
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v.	)	
	)	
CHICAGO HOUSING AUTHORITY and	)	
JOSEPH SHULDINER, Executive Director,	)	Hon. Marvin E. Aspen
	)	
Defendants.	)	

INTERVENOR'S COMPLAINT

I. **INTRODUCTION**

1. The intervenor, Lakefront Community Organization (hereinafter "LCO"), represents former tenants of 3939 South Lake Park Avenue, 3983 South Lake Park Avenue, 4040 South Oakenwald, 1130 East 41st Street, 4155 South Lake Park, 1132 East 42nd Street (hereinafter "the Lakefront properties").

2. These former tenants were moved out of the Lakefront properties in 1985. For the next ten years they waited for the Chicago Housing Authority (hereinafter "CHA") to rehabilitate the buildings, as it had promised to do in a written agreement (hereinafter "the 1986 Memorandum").

3. In 1995, LCO and CHA entered into a new agreement (hereinafter "the 1995 Agreement"), which provides that CHA can demolish four of the buildings (4040 South Oakenwald, 1130 East 41st Street, 4155 South Lake Park, 1132 East 42nd Street) (hereinafter "the Lakefront Buildings") once it builds new replacement housing in the larger North

Kenwood/Oakland area, and elsewhere in the City of Chicago.

4. Paragraphs 3 and 15 of the 1995 Agreement set forth the pre-conditions that CHA must satisfy before starting the demolition procedure.

5. Paragraph 3 states that CHA must first obtain both the funds and land necessary to construct replacement housing.

6. Once it secures the necessary funds and land, CHA must comply with the construction schedule set forth in ¶ 15 of the Agreement. This schedule provides that CHA must begin construction within ten months of satisfying the pre-conditions set forth in ¶ 3 of the Agreement, and complete construction within a reasonable time thereafter.

7. Under the terms of the agreement, therefore, CHA cannot demolish the Lakefront Buildings until it has actually completed construction of the replacement housing.

8. Though CHA has not yet complied with the pre-conditions set forth in the 1995 Agreement, it is proceeding with the demolition of the Lakefront Buildings.

9. LCO seeks an order requiring defendants to comply with the pre-conditions set forth in the 1995 Agreement, including the construction schedule set forth in ¶ 15, and enjoining the demolition of the Lakefront Buildings until defendants have complied with these pre-conditions.

II. JURISDICTION AND VENUE

10. **This Court has jurisdiction over LCO's claims under 28 U.S.C. §§ 1331 and 1367. Venue is proper in this judicial district under 28 U.S.C. § 1391(b).**

III. PARTIES

A. Intervenor

11. LCO is a non-profit organization incorporated in 1985 to represent the interests of the families displaced from the Lakefront properties. As the sole representative of these displaced tenants, LCO negotiated with CHA and entered into the 1986 Memorandum, which provided for the rehabilitation of the Lakefront properties. (A copy of this Memorandum is attached as Exhibit A.)

12. The LCO then entered into the September 1995 Agreement, which is the subject of this complaint. (A copy of the 1995 Agreement is attached as Exhibit B.)

B. Defendants

13. Defendant CHA is an Illinois municipal corporation, created and existing under the Housing Authorities Act, Ill. Rev. Stat., ch 67½, §§ 1 - 27e. CHA is also a Public Housing Agency ("PHA") administering federally subsidized and assisted low-rent housing within the meaning of 42 U.S.C. § 1437.

14. Defendant Joseph Shuldiner is the Executive Director of CHA. He is charged with establishing and implementing the policies of CHA, including those relating to the demolition of public housing owned and managed by CHA.

IV. STATEMENT OF THE CASE

15. On May 27, 1986, CHA, LCO, and other parties entered into the 1986 Memorandum, which established a procedure for vacating and rehabilitating the Lakefront high-rises.

16. CHA renovated two of the six Lakefront high-rises (3939 and 3983 South Lake

Park, Chicago, Illinois) to create Lake Parc Place.

17. CHA did not renovate the other four buildings, which have remained vacant since the residents were moved out.

18. In or around the end of 1993 and the beginning of 1994, CHA approached LCO to negotiate a revision of the 1986 Memorandum.

19. On September 22, 1995, CHA and LCO entered into the 1995 Agreement.

Exhibit B.

20. This Agreement permits CHA to demolish the Lakefront Buildings in exchange for constructing scattered site housing and issuing Section 8 certificates to the displaced residents.

21. The 1995 Agreement provides that the following conditions must be satisfied before CHA demolishes the Lakefront Buildings:

a. CHA must obtain binding funding commitments from HUD for the construction of 80 to 100 units of public housing on the Lakefront properties and 200 scattered site public housing units in the City but outside the North Kenwood/Oakland neighborhood. See 1995 Agreement, ¶¶3(a), 4, and 5. The North Kenwood/Oakland neighborhood is bordered by Oakwood Boulevard on the north, the Illinois Central Railroad right-of-way on the east, 47th Street on the south, and Cottage Grove Avenue on the west.

b. CHA must obtain site control of enough property to construct 141 units of replacement public housing in the North Kenwood/Oakland neighborhood. See 1995 Agreement at ¶¶ 3(b) and 6.

c. CHA must obtain LCO's approval for the sites selected in the North

Kenwood/Oakland neighborhood. See 1995 Agreement at ¶¶ 3(b) and 6.

d. CHA must (1) start construction on all 141 units of the replacement public housing in the North Kenwood/Oakland neighborhood, and all 200 scattered site public housing units in the City outside of the North Kenwood/Oakland neighborhood within ten months after satisfying subparagraphs a - c above; and (2) complete construction of these units within a reasonable period of time thereafter. 1995 Agreement at ¶¶ 3, 5, 6, and 15.

22. On May 13, 1996, Alexander Polikoff (attorney for the Gautreaux plaintiff class) and Daniel Levin (Habitat's chairman) sent a letter to William Wilen, then employed by the Legal Assistance Foundation of Chicago and acting as attorney for LCO, stating that if the former Lakefront tenants became dissatisfied with the pace of development of the North Kenwood/Oakland replacement housing, the Gautreaux plaintiffs' counsel and the Receiver would support a request by the former Lakefront tenants for a hearing in front of the presiding Gautreaux judge on that issue. A copy of this letter is attached hereto as Exhibit C.

23. On May 22, 1996, the Gautreaux plaintiffs and CHA filed a joint motion to designate the North Kenwood/Oakland neighborhood as a Revitalizing Area and to authorize the construction or rehabilitation of 241 units of public housing in the Revitalizing Area. (A copy of the joint motion is attached hereto Exhibit D.) This motion, which received Habitat's approval, was provided for in the 1995 Agreement. Furthermore, entry of the order requested in the motion was a condition precedent to the demolition of the Lakefront Buildings. See ¶ 3 of Exhibit B.

24. On June 3, 1996, this Court entered the requested order, a copy of which is attached as Exhibit E.

25. As of the filing of this suit, CHA has failed to complete construction of all 241 units to be located in the North Kenwood/Oakland neighborhood and elsewhere in the City of Chicago, and has failed to meet the other prerequisites conditions set forth above in paragraph 21.

26. At a meeting on November 10, 1998, Karen Newton (Acting Chair of the CHA) stated that CHA will demolish all four of the Lakefront Buildings simultaneously on December 12, 1998.

27. CHA has already begun preparing for the demolition of the Lakefront Buildings.

V. INADEQUATE REMEDY AT LAW – IRREPARABLE HARM

28. As a result of CHA's actions, LCO has suffered, and will continue to suffer, irreparable harm for which there is no adequate remedy at law. Specifically, LCO will lose the *quid pro quo* (the demolition of the Lakefront Buildings) on which the 1995 Agreement was predicated without having any assurance that the CHA, through the Habitat Company, will build the promised replacement housing.

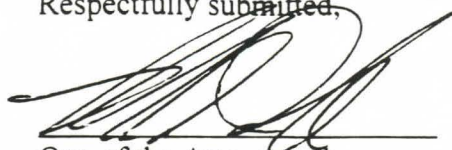
WHEREFORE, LCO prays that this Honorable Court:

A. Enter an order enjoining the demolition of the Lakefront Buildings until defendants have complied with its commitments, as set forth in the 1995 Agreement;

B. In the event this Court should allow demolition to proceed, enter an order requiring **defendants** to comply with its commitments under the 1995 Agreement within a set period of time **after the demolition**, including commencing construction of all the units, both on-site and off-site, and completing them within 20 months, as provided for in ¶ 15; and

C. Grant such other and further relief as this Court deems just and proper.

Respectfully submitted,

A handwritten signature in black ink, consisting of several overlapping loops and strokes, positioned above a horizontal line.

One of the Attorneys for
Intervenor

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Charles R. Petrof
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MEMORANDUM OF ACCORD REGARDING RELOCATION OF RESIDENTS
FROM THE LAKEFRONT PROPERTIES PURSUANT TO THE CIAP
REHABILITATION PROJECT

The parties hereto enter this Agreement based upon a common goal and objective that the proposed rehabilitation of the Lakefront Properties be completed in an expeditious and fair manner consistent with Federal Modernization Program requirements and to assure that the proposed rehabilitation be implemented in a manner which safeguards the rights of the affected resident community. The resident population of the Lakefront Properties as of October 1, 1985 and thereafter are the intended beneficiaries of this Agreement.

The Chicago Housing Authority (CHA) and the Lakefront Community Organization (LCO), individually and through their attorneys, hereby agree to the following procedures and requirements regarding the relocation of residents from the Lakefront Properties (the Olander Homes, 3939 S. Lake Park Avenue; Olander Extension, 3833 S. Lake Park Avenue; and the three (3) building complex in Lake Michigan Homes at 41st Street and Lake Park) pursuant to the Comprehensive Improvement Assistance Program ("Modernization Program") authorized by 42 U.S.C. § 1437(f) and 24 C.F.R. § 968. CHA has consulted with the Presidents of the Local Building Councils of the Lakefront Properties and they agree to support this Agreement.

By entry into this Memorandum of Accord the parties hereto agree to comply with all terms and conditions set forth herein, agree to cooperate and support implementation of this Memorandum of Accord and hereby acknowledge that substantial breach of this Agreement shall be enforceable by a party hereto pursuant to any existing administrative or legal remedy authorized by law.

Accordingly, the parties hereby agree as follows:

1. The parties support and will urge adoption by the CHA Board of Directors at their May Board Meeting of this Memorandum of Accord and the first six recommendations previously made by the Lakefront Properties Task Force regarding the proposed rehabilitation. These six recommendations are attached hereto as Appendix 1 and are incorporated herein.

2. The parties support the proposed rehabilitation of these properties and recognize that all families will have to be moved at lease once in order that the rehabilitation can be completed.

3. Because some families will not be able to be moved to other CHA developments (e.g. large family, no unit available), or that some families will not be able to be relocated under the Section 8 program, (e.g., landlords unwilling to rent to families with teenage children), the parties agree upon a phased relocation proposal. To determine how units within the Lakefront Properties will be made available during rehabilitation, the following priorities shall be adopted:

(a) first priority for apartments will be given to current lease holders who satisfy CHA eligibility criteria and who are handicapped or who are seriously ill or who have handicapped or seriously ill family members;

(b) second priority shall be given to families that are eligible for 4 bedroom or larger size units under CHA occupancy guidelines;

(c) third priority shall be given to families with minor children above the age of 14;

(d) fourth priority shall be given to

1. Families with minor children 14 years of age or younger facing unusual housing difficulties, e.g., day care needs for children of working mother;

(e) all other units shall be prioritized to families requesting to stay in the Lakefront Properties based upon seniority to be determined by the date that the original dwelling lease was signed by the family;

(f) families who wish to remain in the Lakefront Properties during rehabilitation shall be allowed to do so consistent with the above priorities. If the number of available vacant units is not sufficient to house all families who have requested to remain in the Lakefront Properties those families who cannot be accommodated will be offered apartments at the Wells/ Washington developments, and all other CHA developments, to the extent that units are available to all other residents;

(g) no CHA apartments shall be offered to affected residents as relocation housing in "as is" condition. All units under the program offered to residents must satisfy state, city and federal regulations regarding health and safety. No resident will be asked to move to a unit which is not properly repaired or brought up to code standard.

4. To facilitate the phased rehabilitation and relocation, the parties recognize that security considerations may require the temporary removal of fixtures from vacant apartments. However, the

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removal of fixtures shall not eliminate an apartment from subsequently being made temporarily available to house families who remain in the Lakefront Properties during rehabilitation.

5. The increasing vacancy rate in the property requires that CHA provide additional security measures in the development. These may include:

(a) additional security personnel at the buildings;

(b) access to monthly reports indicating the number, nature and building location of alleged incidents; and

(c) establishment of a security "hotline" or other service to be made available to residents.

6. All families who currently reside in the Lakefront Properties and all families who have moved out of the Lakefront Properties since October 1, 1985 in connection with the proposed rehabilitation, shall have the right to return as a tenant in the Lakefront Properties after the rehabilitation is completed except those tenants:

✓ (a) who because of income or family composition are no longer qualified for CHA;

(b) who prior to their moving out of the Lakefront Properties had a court eviction order terminate their right to continue to occupancy in CHA;

✓ (c) who are evicted for "good cause" as set forth at 24 C.F.R. § 966.4(1)(1) or other

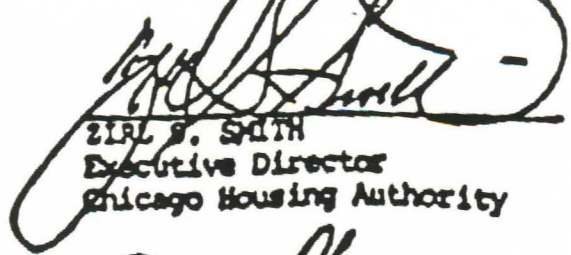
ious violations of their lease during
the period of relocation;

2. (d) who are relocated outside of CHA housing during the period of rehabilitation but who have committed acts, during the period of rehabilitation, which constitute a threat to the health and safety of other CHA tenants or employees as that term is defined in CHA Administrative Circular 1798. Provided, however, that families who are determined ineligible to return based upon such charge shall be entitled to written notice and a hearing to challenge such determination as set forth in CHA Administrative Circular 1797;

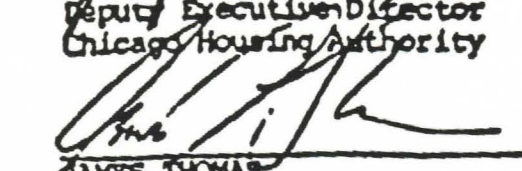
(e) who left CHA owing rent and who after a reasonable opportunity to resolve any account balance refuse or are unable to resolve any rent arrearage.

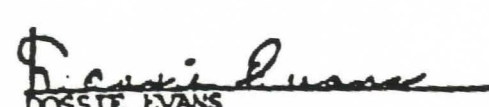
7. CHA shall provide all residents with all relocation benefits and assistance required by federal law according to standards set forth under the UNiform Relocation Assistance Act at 24 C.F.R. Part 42, in both moving out of the Lakefront Properties and moving back into the properties after rehabilitation. Families who elect to permanently relocate under the Section 8 program shall be furnished with Section 8 certificate for the fullest term authorized by law.

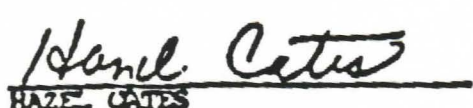
8. In consideration of the Agreement by CHA to adopt and commit to comply with the above procedures, the LCO agrees to provide

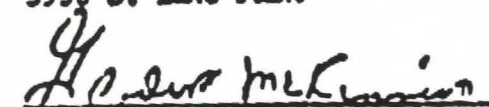

EARL S. SMITH
Executive Director
Chicago Housing Authority

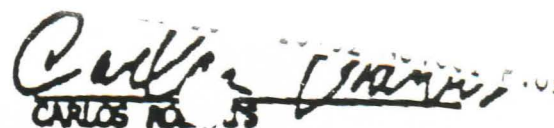

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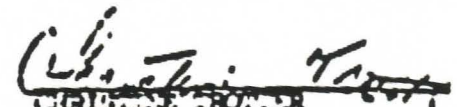

DOSSIE EVANS
President, Building Council
4155 S. Lake Park

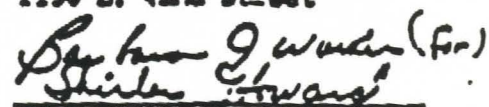

HAZEL GATES
President, Building Council
3938 S. Lake Park


GLADYS McKINNEY
President, Building Council
4040 S. Oakerwald


CARLOS M. JONES
Executive Director
Lakefront Community
Organization


ANTHONY J. G'BOO, JR.
LESLIE ANN JONES
MICHAEL PAROYS
Legal Assistant Foundation
of Chicago
343 S. Dearborn, Suite 700
Chicago, Illinois 60604


CHARLES E. TROTTER
President, Building Council
1130 E. 42nd Street


SHIRLEY HOWARD
President, Building Council
3939 S. Lake Park


JUANITA JACKSON
President, Building Council
1132 E. 42nd Street


JUANITA RANDOLPH
President
Washington Park Local
Advisory Council

**REVISED AGREEMENT REGARDING FORMER RESIDENTS
OF THE LAKEFRONT PROPERTIES AND
THE FUTURE USE OF THOSE PROPERTIES**

The Parties hereto enter this Agreement based upon a shared recognition and understanding that the rehabilitation of the four remaining Lakefront Properties, hereinafter identified, is neither desirable nor appropriate. The parties do share a common goal of providing suitable housing choices to the former residents of the Lakefront Properties, including the choice to move back into the North Kenwood - Oakland community.

The Chicago Housing Authority (CHA) and the Lakefront Community Organization (LCO), which is the sole representative of the displaced Lakefront tenant families¹, by their duly authorized representatives and attorneys, heraby agree as follows:

1. The CHA shall immediately apply to the Department of Housing and Urban Development ("HUD") for permission to demolish the four Lakefront Properties that have not been rehabilitated, namely the 453 units in the three building complex known as Lake Michigan Homes located at 1130 East 41st Street, 1132 East 42nd Street and 4155 South Lake Park, comprising HUD Project No. 2-41; and the 151 units in the building located at 4040 Oakenwald Street, part of HUD Project No. 2-34, Washington Park Homes.

2. In conjunction with its demolition application(s), CHA will submit to HUD replacement housing plans, as required by 42 U.S.C. 1437p(b)(3) and 24 CFR 970.11, for the provision of replacement housing units for each public housing unit to be demolished under its application(s). The replacement housing plans will provide for the acquisition or development of

¹ The "displaced Lakefront tenant families" means:

(i) all persons who were residing at the six Lakefront properties (i.e., 3939 S. Lake Park Avenue, 3983 S. Lake Park Avenue, 4040 S. Oakenwald Street, 1130 E. 41st Street, 4155 S. Lake Park Avenue and 1132 E. 42nd Street) as of October 1, 1985 and who were displaced by the proposed Lakefront properties rehabilitation project, except that "displaced Lakefront tenant families" does not include those tenant families who are leaseholders at Lake Parc Place on the date of this agreement;

(ii) the following tenant families who resided at 4040 Oakenwald Street from November, 1986 to November, 1991 and who were temporarily relocated to Lake Parc Place in 1991 and whose names are listed on attachment A hereto.

scattered site public housing units and the provision of Section 8 certificates.

3. No demolition of the four remaining Lakefront properties shall commence until: (a) HUD has entered binding funding commitments with CHA for the purposes set forth in paragraphs 4 and 5 of this Agreement; (b) the City of Chicago and CHA have identified, and CHA has obtained site control of, sufficient sites, which are acceptable to LCO, to develop 141 units of public housing in accordance with paragraph 6 of this Agreement; and (c) the United States District Court has entered (i) an appropriate order permitting construction or rehabilitation of public housing under paragraphs 4 and 6 of this Agreement and (ii) an appropriate order amending CHA's tenant selection and assignment plan to permit priority occupancy rights to units developed under paragraphs 4, 5 and 6 of this Agreement to displaced Lakefront tenant families. If the conditions set forth in this paragraph 3 and in paragraph 15 below are satisfied, CHA shall demolish the four remaining Lakefront properties.

4. The CHA, through the Gautreaux-appointed Receiver, subject only to satisfaction of the conditions set forth in paragraphs 3(a) and 3(c)(1) of this Agreement, shall build approximately 100 units, but not less than 80 units, of public housing and shall build or otherwise provide a community center on sites owned or otherwise provided by CHA as part of its Lakefront properties, including the 4040 Oakenwald building. CHA, through the Gautreaux-appointed Receiver, shall apply to the City of Chicago Zoning Board of Appeals for a variance or special use which would permit construction of the community center, and shall appeal, if warranted by counsel for CHA or LCO, any determination that prohibits construction of the community center. CHA and the Gautreaux-appointed Receiver shall consult and attempt to reach agreement with LCO in all matters regarding the community center and shall provide LCO with office space in the community center.

5. Subject only to satisfaction of the conditions set forth in paragraphs 3(a) of this Agreement, the CHA, through the Gautreaux-appointed Receiver and/or the Joint Venture, shall build or rehabilitate not less than 200 scattered site units in communities of the City of Chicago other than North Kenwood-Oakland on sites which are acceptable to LCO.

6. The CHA, subject only to satisfaction of the conditions set forth in paragraph 3(b) and 3(c)(i) of this Agreement, shall build 141 units of scattered site housing (new or rehabilitated), already funded pursuant to the Gautreaux Consent Decree, in the North Kenwood - Oakland community. These units will be developed by the Gautreaux-appointed Receiver and/or the Joint Venture, primarily on CHA owned vacant land and City of Chicago owned

sites, which are acceptable to LCO.

7. CHA shall apply to HUD for three hundred and two (302) Section 8 certificates for use as replacement housing. In the event CHA's Section 8 replacement housing application is not funded by HUD, either in whole or in part, CHA will make available up to 302 Section 8 certificates from its own inventory of Section 8 certificates to meet the replacement housing needs of displaced Lakefront tenant families.

8. Subject to the court order discussed in paragraph 3(c)(ii) of this Agreement, CHA shall offer, on a first priority basis, all units developed under paragraphs 4, 5 and 6 of this Agreement and all Section 8 certificates provided under paragraph 7 of this Agreement, (up to a combined maximum of 604 units and certificates), to eligible displaced Lakefront tenant families. Eligible families are all displaced Lakefront tenant families except those:

(a) who because of income are no longer eligible for CHA housing;

(b) who prior to moving out of the Lakefront Properties were subject to a written eviction order terminating their right to continued occupancy at CHA;

(c) who have been evicted from public housing for "good cause" as set forth at 24 CFR Section 966.4(1)(2) or other serious violation of their lease during the period of relocation;

(d) who have been relocated outside of CHA housing but who, during the period of relocation, have been convicted of a felony involving physical violence to persons or crimes against property that adversely affect the health, safety or welfare of other persons or the misdemeanors of aggravated assault, unlawful use of a weapon, battery or criminal damage to property;

(e) who left CHA owing rent and who after a reasonable opportunity to resolve any account balance refuse or are unable to resolve any rent arrearage within a reasonable time of any determination of ineligibility.

Any displaced Lakefront tenant family determined to be ineligible for replacement housing pursuant to the provisions of this paragraph will be entitled to appeal the determination of ineligibility to a committee composed of three members chosen by LCO and three members chosen by CHA. This committee shall have access to all relevant documents that led to the finding of ineligibility, shall consider any evidence of rehabilitation of the tenant family or any evidence of the tenant family's willingness to participate in social service or other appropriate counseling service programs, and shall be empowered to waive any

or all rent arrearages for good cause shown and to establish a reasonable installment payment plan.

This committee shall initially screen the tenants who shall reside in the housing to be provided under this Revised Agreement. After initial occupancy is completed the committee shall be expanded to nine (9) members, with the three (3) additional members to be selected from the residents who will reside in the new housing to be built under this Revised Agreement.

9. Up to a maximum of 604 eligible displaced Lakefront tenant families shall be afforded either their first or their second housing choice pursuant to paragraph 8 of this Agreement. CHA, through its tenant selection and assignment procedure, shall maintain a parity in the occupancy of public housing units developed pursuant to paragraph 4 of this Agreement between eligible low income and very low income families, as those terms are defined in 24 CFR Section 913.102.. In the event that CHA's obligation to afford up to 604 displaced Lakefront tenant families with either their first or second housing choices cannot be reconciled with CHA's obligation to maintain a parity in the occupancy of public housing units, as required by this paragraph, CHA and LCO will negotiate a mutually agreeable amendment to this Agreement.

10. CHA shall negotiate and attempt to reach agreement with the LCO with respect to all matters involving the displaced Lakefront tenant families, including but not limited to agreement with the Gautreaux-appointed Receiver and/or the Joint Venture relative to the site selection and design of all housing units constructed, rehabilitated or otherwise made available for occupancy pursuant to the terms of this Agreement and with CHA relative to the management and operation of all housing units constructed, rehabilitated or otherwise made available for occupancy pursuant to the terms of this Agreement.

11. CHA, with the assistance of LCO, shall conduct an aggressive outreach campaign to contact eligible displaced Lakefront tenant families in order to determine whether they wish to avail themselves of the housing opportunities being provided under this Agreement. CHA and LCO shall enter a side agreement setting forth the timing, scope and terms of the outreach program. A bar date will be fixed after which there will be no further right to replacement housing under this Agreement. Consistent with the outreach program developed by and agreed to by CHA and LCO, CHA will make all reasonable efforts to locate displaced Lakefront tenant families up to the bar date.

12. All displaced Lakefront tenant families who avail themselves of the replacement housing opportunities being provided under paragraphs 4, 5, 6 and 7 of this Agreement

shall be moved by CHA, at CHA's expense, or paid by CHA the amount of actual, reasonable moving costs, including the actual, reasonable costs of utility reconnection.

13. The Gautreaux-appointed Receiver shall comply with Section 3 requirements in the demolition and construction identified in the Agreement, and shall work with CHA and LCO in identifying members of displaced Lakefront tenant families as eligible for training and employment opportunities pursuant to Section 3. CHA, directly or through its agent, shall provide training for interested residents regarding management and operation of the replacement housing units being provided pursuant to this Agreement.

14. By signing this document, LCO and CHA hereby agree that this Revised Agreement replaces and supplants the Memorandum of Accord entered into on May 27, 1986. However, if the conditions set forth in paragraph 3 of this Agreement for demolition of the four remaining Lakefront properties are not satisfied by January 1, 1996, LCO may give CHA seven days notice of its intent to declare a breach of this Agreement. If those conditions are not satisfied within that seven day notice period, LCO may declare a breach of this Agreement. Upon such a declaration of breach, this Revised Agreement shall be null and void, and the terms and conditions of the original Memorandum of Accord, dated May 27, 1986, shall be reinstated.

15. The construction or rehabilitation of the replacement housing required under paragraphs 5 and 6 of this Agreement shall commence within ten months after satisfaction of the conditions set forth in paragraph 3 of this Agreement for demolition of the four remaining Lakefront properties and shall be completed within a reasonable time, as that term is defined by current construction industry standards for the type of construction and rehabilitation contemplated by the agreement. If the construction or rehabilitation of the replacement housing required under paragraphs 5 and 6 of this Agreement has not commenced within ten months after satisfaction of the conditions set forth in paragraph 3 of this Agreement for demolition of the four remaining Lakefront properties or is not completed within ten months thereafter, LCO shall give CHA sixty days notice of its intent to declare a breach of this Agreement prior to instituting any suit to enforce the terms of this Agreement.

16. CHA's entry into this Revised Agreement in the context of the unique circumstances involving the displacement and relocation of the former residents of the Lakefront Properties shall not be deemed a precedent with respect to the relocation and replacement housing rights of other CHA tenants families who may be displaced and relocated from their present housing units as a consequence of future demolition of CHA housing units.

17. This agreement shall be governed as to performance and interpretation in accordance with the laws of the State of Illinois. In construing the terms of this Agreement, neither CHA nor LCO shall be deemed the drafter of this Agreement.

18. In consideration of the Agreement by the CHA to enter into the above obligations, the LCO agrees to support CHA's application to HUD for demolition of the Lakefront Properties. Both parties to this agreement agree to comply with all terms and conditions set forth herein, agree to cooperate and support implementation of this agreement and acknowledge that this agreement is intended by the parties to be a binding contract enforceable by either party in any court of competent jurisdiction.

19. CHA shall reimburse LCO for all reasonable expenses incurred by LCO members in connection with the implementation of this Revised Agreement, including car fare and transportation, telephone and copying expenses. Such reimbursement shall be provided by CHA within 30 days of submission by LCO of reasonable proof of expenditures to CHA.

EXECUTED THIS 22nd DAY OF September 1995
IN CHICAGO, ILLINOIS

FOR THE LAKEFRONT COMMUNITY
ORGANIZATION:

By: Clara Dixon
CLARA DIXON, President

By: Izora Davis
IZORA DAVIS
Executive Board Director

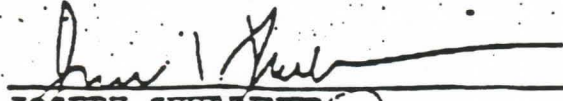
By: John Williams
JOHN WILLIAMS
Executive Board Director

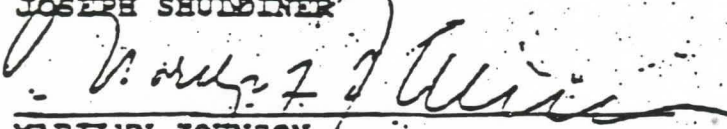
By: Darlene Rush
DARLENE RUSH Darlene Rush
Executive Board Director D.E.

1116
WILLIAM P. WILEN
MICHAEL PARDYS
ALLISON ASHE-CARD
Legal Assistance Foundation
of Chicago
343 S. Dearborn Street
Suite 700
Chicago, Illinois
Attorneys for LCO

FOR THE CHICAGO HOUSING AUTHORITY:

By:


JOSEPH SHULINER


MARILYN JOHNSON
Chicago Housing Authority
200 W. Adams Street
Suite 2100
Chicago, Illinois 60606
Attorney for CHA

May 13, 1996

Honorable Toni Preckwinkle
Alderman, 4th Ward
4646 South Drexel Boulevard
Chicago, Illinois 60653

Mr. William Wilen
Legal Assistance Foundation
343 South Dearborn Street
Chicago, Illinois 60604

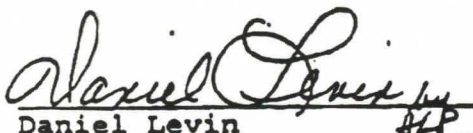
Ms. Shirley Newsome, President
Conservation Community Council
4140 South Lake Park
Chicago, Illinois 60653

Dear Alderman Preckwinkle, Mr. Wilen and Ms. Newsome:

In connection with our anticipated request to Judge Aspen to designate North Kenwood-Oakland as a Revitalizing Area and to permit the development of public housing therein, we make the following assurances:

- (1) The Receiver will use its best efforts to achieve the development of market rate as well as public housing on both the Lakefront and Drexel corridor sites which have been the subject of discussion among us; and
- (2) In the event that community representatives or former Lakefront Properties tenants become dissatisfied with the pace of progress in developing either form of housing, Gautreaux plaintiffs' counsel and the Receiver will support the request of either or both groups for a hearing on that issue before the Gautreaux presiding judge.

Sincerely,


Daniel Levin
Gautreaux Receiver


Alexander Polikoff
Attorney for the Gautreaux
Plaintiff Class

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

DOROTHY GAUTREUX, et al.	)	
	)	
Plaintiffs,	)	
	)	
vs.	)	66 C 1459
	)	66 C 1460
CHICAGO HOUSING AUTHORITY and	)	
HENRY CISNEROS, Secretary of	)	(Consolidated)
Department of Housing and Urban	)	
Development,	)	
	)	
Defendants.	)	

JOINT MOTION OF PLAINTIFFS, AND DEFENDANTS
CHICAGO HOUSING AUTHORITY AND DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT, FOR AN ORDER
DESIGNATING A NORTH KENWOOD-OAKLAND REVITALIZING AREA AND
AUTHORIZING THE DEVELOPMENT OF
SCATTERED SITE PUBLIC HOUSING UNITS THEREIN

Plaintiffs, and Defendants Chicago Housing Authority and
Department of Housing and Urban Development, by their respective
attorneys, move this court for an order in the form attached
hereto:

(1) designating as the North Kenwood-Oakland Revitalizing
Area that portion of the City of Chicago that lies between
Oakwood Boulevard on the north, the Illinois Central Railroad
right-of-way on the east, 47th Street on the south, and Cottage
Grove Avenue on the west (the "Revitalizing Area"), and

(2) authorizing the development, through new construction or
rehabilitation of existing buildings, of not more than 241 units
of public housing within the Revitalizing Area.

In support of this motion, the parties state as follows:

1. In 1986, the proposed Revitalizing Area contained

approximately 1,066 family public housing units. Nine hundred and three units were in six CHA high-rise buildings, known as the Lakefront Properties, located along Lake Park Avenue between Oakwood Boulevard on the north and 42nd Place on the south. Of the remaining 163 units, 151 were in a combination of high-rise and mid-rise buildings in CHA's Washington Park homes development, on a block bounded by 41st Street on the north, Drexel Boulevard on the east, Bowen Avenue on the south and Cottage Grove Avenue on the west (the "Washington Park site"). The remaining 12 were in a small building at 900 East 40th Street ("the 900 Building").

2. In 1986, CHA and the Lakefront Community Organization ("LCO"), representing the tenants of the Lakefront Properties, entered into a Memorandum of Accord. A copy of the 1986 Memorandum of Accord is attached hereto as Exhibit A. Under the Memorandum of Accord the tenants agreed to leave their homes voluntarily, and CHA agreed to rehabilitate the Lakefront Properties buildings and grant to the displaced families "the right to return as a tenant in the Lakefront Properties after the rehabilitation is completed." (§ 6)

3. In 1990 and 1991, CHA extensively rehabilitated the two northernmost Lakefront Properties high-rises, turning them into attractive, landscaped buildings, now known as Lake Parc Place. As authorized by Congressional legislation, CHA established a mixed-income tenancy for Lake Parc Place, reserving half the units for working families, i.e., families earning between 50%-80% of the median income for the Chicago Metropolitan Area (for a

family of four in 19. . an income of \$27,500 - \$4. 00).

4. Also in 1990-1991, the Receiver developed 15 new scattered site public housing units at 4525 South Lake Park Avenue.

5. In 1995, while discussions were underway concerning the remaining four Lakefront high-rises, CHA demolished the 151 units on the Washington Park site and the 12-unit 900 Building.

6. After lengthy discussions, in September, 1995, CHA and LCO entered into a supplemental agreement modifying the Memorandum of Accord ("Revised Agreement"). The Revised Agreement is attached hereto as Exhibit B. The Revised Agreement reflects a "shared recognition and understanding that the rehabilitation of the four remaining Lakefront Properties . . . is neither desirable nor appropriate," as well as a "common goal of providing suitable housing choices to the former residents of the Lakefront Properties, including the choice to move back into the North Kenwood-Oakland community." (p. 1)

7. The Revised Accord provides that, instead of rehabilitation, the four remaining high-rises, containing approximately 603 units, should be demolished. (§1) The Revised Accord provides further that replacement housing for the demolished units should take the following form: (1) up to 241 units in North Kenwood-Oakland, including 80-100 units on the site of the to-be-demolished Lakefront high-rises and an additional 141 units scattered throughout the area, including on the Washington Park site; (2) 200 additional units outside of North Kenwood-Oakland; and (3) up to 302 Section 8 certificates.

(194-7)

8. The Revised Accord also provides that CHA shall achieve a mixed-income occupancy of the 80-100 new units on the site of the Lakefront high-rises by maintaining a "parity ... between eligible low income [50-80% of median income] and very low income families...." (19) Finally, the Revised Accord provides that the displaced Lakefront tenant families should have first priority, subject to Court approval, to all of the replacement units. (18)

9. Movants believe the replacement housing provisions in the Revised Accord are appropriate and desirable for a number of reasons. First, the proposed demolition and replacement housing would complete a radical transformation of public housing in the Revitalizing Area. The number of family public housing units in the Revitalizing Area would be reduced by approximately 50% from 1986 levels, i.e., from 1,066 to 538. In addition, the concentration of the remaining units would be greatly reduced. The family units in the Revitalizing Area would be privately managed and in mixed-income configurations.

10. Second, the proposed Revitalizing Area satisfies the Gautreaux "revitalizing" criteria, and would therefore be an appropriate location for the provision of low-rise public housing. The revitalizing character of the area is evidenced by the following:

- Major ongoing efforts by institutional actors, including the City and the Fund For Community Redevelopment and Revitalization (which is funded by the MacArthur Foundation), to bring about revitalization in North Kenwood-Oakland;
- An increasingly active private residential real estate market in the Revitalizing Area, including the

construction of new, market rate housing, and plans to develop additional market rate housing;

- Substantial and increasing investment by residents of the Revitalizing Area in home repair and rehabilitation;
- Steady increases in the number and value of bank loans within the Revitalizing Area;
- New commercial development, both completed and planned, along 47th Street;
- Substantial efforts to improve area schools, including two new public schools planned to open in the Revitalizing Area in September, 1996;
- Community amenities favoring continuation of the already-occurring revitalization, including a choice lakefront location, excellent access to transportation, and ample available land for development at reasonable prices; and
- Burgeoning development in nearby areas, particularly South Kenwood.

11. Movants are authorized to represent to the Court that the Receiver supports this motion and that the City of Chicago has no objection thereto.

12. Proposals to locate new public housing in the Revitalizing Area have been the subject of several meetings of community residents. The community is divided respecting the development of new public housing in the area, with some residents in support and many others opposed.

WHEREFORE, Plaintiffs, and Defendants Chicago Housing Authority and the Department of Housing and Urban Development, request the Court to enter an order in the form attached hereto, (1) designating as the North Kenwood-Oakland Revitalizing Area that portion of the City of Chicago that lies between Oakwood Boulevard on the north, the Illinois Central Railroad right-of-

United States District Court, Northern District of Illinois

Name of Assigned Judge or Magistrate Judge	Marvin Aspen	Sitting Judge if Other than Assigned Judge	
CASE NUMBER	66 C 1459	DATE	12/10/1998
CASE TITLE	Gautreaux' vs. CHA		

[In the following box (a) indicate the party filing the motion, e.g., plaintiff, defendant, 3rd party plaintiff, and (b) state briefly the nature of the motion being presented.]

MOTION:

--

DOCKET ENTRY:

- (1) ☐ Filed motion of [use listing in "Motion" box above.]
- (2) ☐ Brief in support of motion due ____.
- (3) ☐ Answer brief to motion due _____. Reply to answer brief due _____.
- (4) ☐ Ruling/Hearing on _____ set for _____ at _____.
- (5) ☐ Status hearing[held/continued to] [set for/re-set for] on _____ set for _____ at _____.
- (6) ☐ Pretrial conference[held/continued to] [set for/re-set for] on _____ set for _____ at _____.
- (7) ☐ Trial[set for/re-set for] on _____ at _____.
- (8) ☐ [Bench/Jury trial] [Hearing] held/continued to _____ at _____.
- (9) ☐ This case is dismissed [with/without] prejudice and without costs[by/agreement/pursuant to]
☐ FRCP4(m) ☐ General Rule 21 ☐ FRCP41(a)(1) ☐ FRCP41(a)(2).
- (10) ☒ [Other docket entry] The Organization's emergency motion to intervene (0-1) is denied. The Organization's motions for temporary restraining order and (0-1 & 0-2) and for preliminary injunction are denied as moot.

- (11) ☒ [For further detail see order on the reverse side of the original minute order.]

☐	No notices required, advised in open court.			Document Number
☐	No notices required.		number of notices	
☒	Notices mailed by judge's staff.		date docketed	
☐	Notified counsel by telephone.		docketing deputy initials	
☐	Docketing to mail notices.		12/10/1998	
☐	Mail AO 450 form.		date mailed notice	
☐	Copy to judge/magistrate judge.		GL	
GL courtroom deputy's initials		Date/time received in central Clerk's Office	mailing deputy initials	

ORDER

Lakefront Community Organization (the Organization) has asked for permission to intervene in this case and, if we grant that request, for an order to halt the CHA's planned demolition of the so-called "Lakefront Buildings." Both of these motions stem from a 1995 agreement between the Organization and the CHA which appears to prohibit the CHA from demolishing those buildings before it satisfies certain conditions - conditions with which the CHA now admits it has only "substantially complied."

A motion to intervene must be "timely," according to FED. R. CIV. P. 24(a) and (b), and so we consider (1) for how long the Organization has known of its interest in this case; (2) how our granting the motion after this delay would hurt the parties already before us; (3) how badly our denial of the motion could hurt the Organization; and (4) any unusual circumstances. See *City of Bloomington v. Westinghouse Elec. Corp.*, 824 F.2d 531 (7th Cir. 1987). These factors cut sharply against the Organization. The CHA's Executive Director informed the Organization of the CHA's plans to demolish the buildings on June 2, 1998, by a letter in which he stated that the CHA believed that it had discharged its obligations under the 1995 agreement. The Organization did not even secure legal representation until November 2, and it did not move to intervene until November 23, almost six months later and less than three weeks before the December 12 demolition date. A six month delay might be harmless in some cases, but it is not when a demolition is in the works: the CHA informs us that part of its preparation was to render the buildings structurally unsound, a situation which presents immediate safety (and perhaps liability) concerns.

The Organization's emergency motion to intervene is denied.* It is so ordered.



* Had we allowed the Organization's motion to intervene, we would have denied on the merits its emergency motions for a temporary restraining order and preliminary injunction.

way on the east, 47th Street on the south, and Cottage Grove Avenue on the west, and (2) authorizing the development of not more than 241 units of public housing within the Revitalizing Area.

May 22, 1936

[Handwritten signature]
One of the Attorneys for
Plaintiffs

Alexander L. Polikoff
 Robert L. Jones, Jr.
 Business and Professional People
 for the Public Interest
 17 East Monroe Street
 Chicago, Illinois 60603

Respectfully submitted,

[Handwritten signature]
One of the Attorneys for
Defendant U.S. Department
of Housing & Urban
Development

Lewis M. Nixon
 Assistant General Counsel
 for the Midwest
 77 West Jackson Boulevard
 25th Floor
 Chicago, Illinois 60604

[Handwritten signature]
One of the Attorneys for
Defendant Chicago Housing
Authority

Jerome Butler
 General Counsel
 Chicago Housing Authority
 280 West Adams Street
 21st Floor
 Chicago, Illinois 60604

64

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

DOROTHY GAUTREAUX, et al.	)	
Plaintiffs,	)	
	)	
vs.	)	66 C 1459
	)	66 C 1460
CHICAGO HOUSING AUTHORITY and	)	
HENRY CISNEROS, Secretary of	)	(Consolidated)
Department of Housing and Urban	)	
Development,	)	
Defendants.	)	

ORDER

This matter coming to be heard on the Joint Motion of Plaintiffs, and Defendants Chicago Housing Authority and Department of Housing and Urban Development, for an order designating a North Kenwood-Oakland Revitalizing Area and permitting development of family public housing units therein, and the Court having heard presentations concerning the proposed order; and

The Receiver, Daniel Levin and The Habitat Company, having represented to the Court that they have examined the proposal respecting the appropriate number of public housing units to be provided therein and the conditions to be made applicable thereto, and that they support the Joint Motion; and

The Court being cognizant that the principal remedial purpose of the orders previously entered in these consolidated cases has been and is to provide plaintiff class families with desegregated housing opportunities; and

The Court also being cognizant that on occasion it has

permitted public or assisted housing to be provided in census tracts not within the General Public Housing Area upon a sufficient showing of "revitalizing" circumstances such that a responsible forecast of economic integration, with a longer term possibility of racial desegregation, could be made; and

The Court being of the view that such a forecast can be made with respect to the North Kenwood-Oakland Revitalizing Area if the terms and conditions of this order are met;

Now, therefore, IT IS HEREBY ORDERED:

1. The Court designates as the North Kenwood-Oakland Revitalizing Area ("Revitalizing Area") that portion of the City of Chicago that lies between Oakwood Boulevard on the north, the Illinois Central Railroad right-of-way on the east, 47th Street on the south, and Cottage Grove Avenue on the west;

2. The Receiver, previously appointed by the Court to develop scattered site public housing on behalf of the defendant, Chicago Housing Authority, shall be free to develop, through new construction or rehabilitation of existing buildings, up to 241 units of public housing within the Revitalizing Area, subject to the following conditions:

- a) No more than 100 units of public housing shall be developed on CHA-owned land that is the site of CHA's Lakefront high-rise buildings (the area bounded by 40th Street on the north, the Illinois Central Railroad right-of-way on the east, 42nd Place on the south, and Lake Park Avenue on the west).

- b) No more than approximately 50 units of public housing shall be developed on the site of the demolished Washington Park buildings (the CHA-owned property bounded by 41st Street on the north, Drexel Avenue on the east, Cottage Grove Avenue on the west, and Bowen Avenue on the south) and adjacent property.
- c) The balance of such units of public housing within the Revitalizing Area, in addition to those referred to in subparagraphs (a) and (b) above, shall be developed on other sites distributed throughout the Revitalizing Area.
- d) One-half of the public housing units developed pursuant to subparagraphs (a) and (b) above shall be occupied by families whose incomes are in the range of 50-80% of the median income in the Chicago Metropolitan Area, and such units shall be geographically distributed approximately evenly among the units developed pursuant to subparagraphs (a) and (b).

3. The CHA Tenant Selection and Assignment Plan previously approved by this Court shall be modified to afford eligible displaced Lakefront tenant families, as defined in the "Revised Agreement Regarding Former Residents of the Lakefront Properties and the Future Use of Those Properties," dated September 22, 1995, between CHA and the Lakefront Community Organization, first

priority to all public housing units developed pursuant to subparagraphs 2(a), (b) and (c) of this Order, subject only to the provisions of subparagraph 2(d) of this Order.

ENTER:

Marion E. Asper

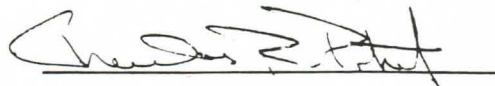
Judge

Date: *June 3*
~~May 15~~, 1996

Richard M. Wheelock
Diana White
Lawrence Wood
Charles Petrof
Legal Assistance Foundation of Chicago
111 W. Jackson, 3rd floor
Chicago, IL 60604
312/341-1070

Certificate of Service

I, Charles R. Petrof, an attorney, certify that I caused a copy of Lakefront Community Organization's MOTION TO INTERVENE to be served upon the counsel on the attached service list by depositing the same in the U.S. mail at 111 W. Jackson, Chicago, Illinois 60604 with proper postage prepaid on February 12, 1999.



Service List

Jerome M. Butler
Chicago Housing Authority
Office of General Counsel
200 W. Adams, Suite 2100
Chicago, IL 60606

Alex Polikoff
BPI
17 E. Monroe, Suite 212
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Michael L. Shakman
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Chicago, IL 60604

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

DOROTHY GAUTREAUX, <i>et al.</i> ,	)	
	)	
Plaintiffs,	)	66 C 1459
	)	
v.	)	Hon. Marvin E. Aspen
	)	
	)	
CHICAGO HOUSING AUTHORITY and	)	
JOSEPH SHULDINER, Executive Director,	)	
	)	
Defendants.	)	

**SECOND MOTION OF THE
LAKEFRONT COMMUNITY ORGANIZATION TO INTERVENE**

The Lakefront Community Organization ("LCO"), by its attorneys of the Legal Assistance Foundation of Chicago, moves this Court for leave to intervene in order to assert the claims set forth in its proposed complaint, a copy of which is attached hereto. In support of this motion, LCO attaches its Memorandum in Support of its Motion to Intervene and states as follows:

1. On November 23, 1998 the LCO filed a motion to intervene for the purpose of halting the scheduled December 12, 1998 demolition of four vacant public housing high rises, because the CHA had not fulfilled its commitment under a 1995 agreement with the LCO to build more than 300 units of replacement housing before the vacant buildings were demolished.
2. On December 10, 1998 this court denied the LCO's motion to halt the demolition because it was not timely filed.
3. The CHA subsequently demolished the buildings on the scheduled date.

Oakenwald, 1130 East 41st Street, 4155 South Lake Park, and 1132 East 42nd Street (hereinafter "the Lakefront Buildings"). See 1995 Agreement, attached hereto as Exhibit B.

10. Paragraphs 3-6 and 15 of the 1995 Agreement conditioned CHA's right to demolish these buildings on its having (a) secured land and/or funds for the construction of 341 off-site replacement housing units, and (b) completed construction on these units. After the Lakefront Buildings were demolished, the CHA was also obligated to build 100 replacement units back on site.

11. Although the CHA built only 68 off-site units, it demolished the Lakefront Buildings on December 12, 1998.

12. Demolishing these buildings before satisfying the preconditions to demolition constituted a clear violation of the terms of the 1995 Agreement. See Exhibit B, ¶¶ 3-6 and 15.

13. LCO now seeks an order requiring CHA to perform its obligations under the 1995 Agreement by completing construction on all 441 units of replacement housing within the next ten months.

14. In an order entered by this Court on June 3, 1996, this Court authorized the construction of 241 units of replacement housing in the North Kenwood/Oakland neighborhood, including 100 units back on-site. This Court also oversees the implementation of the scattered site program, under which 200 additional replacement units are to be built on sites throughout Chicago pursuant to the 1995 Agreement. Families displaced from the Lakefront Buildings have first priority for all 441 units. The LCO, as the representative of those families, now seeks CHA compliance with the 1995 Agreement upon which this Court's June 13, 1996 order was predicated, including a court-ordered construction schedule for the replacement units. As such,

the LCO should be granted permission to intervene as a matter of right, or, in the alternative, should be granted permissive intervention since there are common questions of fact and law between the LCO's claims and the Gautreaux litigation.

15. The LCO is not a party to the Gautreaux litigation, is not represented by either party, and has interests that are distinct from the interests of both parties.

16. The CHA is adverse to the LCO, in that it has breached the 1995 Agreement, as described above. The Gautreaux plaintiffs' are not signatories to the 1995 Agreement and therefore are not the proper parties to enforce the terms of the agreement.

WHEREFORE, the LCO moves this Court to permit it to intervene for the purpose of filing the attached complaint against the CHA.

Respectfully submitted,

A handwritten signature in black ink, appearing to be 'Richard M. Wheelock', written over a horizontal line.

One of LCO's Attorneys

Richard M. Wheelock
Diana White
Charles Petrof
Lawrence Wood
Legal Assistance Foundation of Chicago
111 W. Jackson, 3rd floor
Chicago, IL 60604
312/341-1070

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

DOROTHY GAUTREAUX, <i>et al.</i> ,	)	
	)	
Plaintiffs,	)	
	)	66 C 1459
v.	)	
	)	Honorable Marvin E. Aspen
CHICAGO HOUSING AUTHORITY and	)	
JOSEPH SHULDINER, Executive Director,	)	
	)	
Defendants.	)	

INTERVENOR LAKEFRONT COMMUNITY ORGANIZATION'S COMPLAINT

I. PRELIMINARY STATEMENT

1. The intervenor, Lakefront Community Organization (hereinafter "LCO"), represents the former tenants of 3939 South Lake Park Avenue, 3983 South lake Park Avenue, 4040 South Oakenwald, 1130 East 41st Street, 4155 South Lake Park, and 1132 East 42nd Street (hereinafter "Lakefront Properties").

2. These tenants were moved out of the Lakefront Properties in 1985. For the next ten years they waited for the Chicago Housing Authority (hereinafter "CHA") to rehabilitate the buildings, as it had promised to do in a written contract (hereinafter "the 1986 Agreement"). A copy of this Agreement is attached as Exhibit A.

3. In 1995, LCO and CHA entered into a new written contract (hereinafter "the 1995 Agreement"), which gave CHA the right to demolish the four buildings located at 4040 South Oakenwald, 1130 East 41st Street, 4155 South Lake Park, and 1132 East 42nd Street (hereinafter "the Lakefront Buildings"). A copy of the 1995 Agreement is attached as Exhibit B.

4. Paragraphs 3-6 and 15 of the 1995 Agreement conditioned CHA's right to demolish these buildings on its having (a) secured land and/or funds for the construction of 341 off-site replacement housing units, and (b) completed construction on these units. After the Lakefront Buildings were demolished, the CHA was also obligated to build 100 replacement units back on site.

5. Although the CHA built only 68 off-site units, it demolished the Lakefront Buildings on December 12, 1998.

6. Demolishing these buildings before satisfying the preconditions to demolition constituted a clear violation of the terms of the 1995 Agreement. *See* Exhibit B, ¶¶ 3-6 and 15.

7. LCO now seeks an order requiring CHA to perform its obligations under the 1995 Agreement by completing construction on all 441 units of replacement housing within the next twenty months.

II. JURISDICTION AND VENUE

8. This Court has jurisdiction over LCO's claims pursuant to 28 U.S.C. §§ 1331 and 1367.

9. Venue in this judicial district is proper under 28 U.S.C. § 1391(b).

III. PARTIES

10. LCO is a non-profit organization incorporated in 1985 to represent the interests of the tenants who were moved out of the Lakefront Buildings. As the sole representative of these tenants, LCO has negotiated with CHA and entered into both the 1986 and 1995 Agreements.

11. Defendant CHA is an Illinois municipal corporation, created and existing under the Housing Authorities Act, 310 ILCS 10/1 *et seq.* It is also a Public Housing Agency administering federally subsidized and assisted low rent housing within the meaning of 42 U.S.C. § 1437.

12. Defendant Joseph Shuldiner is CHA's executive director. He is charged with establishing and implementing CHA's policies, including those related to the demolition of CHA housing.

13. The Habitat Company and Daniel E. Levin (The Habitat Company's chief executive officer) jointly serve as the court-appointed Receiver in this action. By this Court's order of August 14, 1987, the Receiver has responsibility for all future CHA non-elderly public housing development programs which may be authorized by United States Department of Housing and Urban Development ("HUD") during the pendency of this action.

IV. STATEMENT OF THE CASE

14. On May 27, 1986, CHA and LCO (and other parties) entered into the 1986 Agreement, which set forth a procedure for vacating and rehabilitating the Lakefront Properties. Exhibit A.

15. CHA renovated two of these properties (the highrises located at 3939 and 3983 South Lake Park, Chicago, Illinois) to create Lake Parc Place.

16. CHA did not rehabilitate the other four buildings, which remained vacant after the tenants moved out.

17. In or around the end of 1993 and beginning of 1994, CHA approached LCO to negotiate a revision of the 1986 Agreement.

18. These negotiations eventually led to the 1995 Agreement, which CHA and LCO signed on September 22, 1995. Exhibit B.

19. This Agreement provided that CHA could demolish the Lakefront Buildings, but only after first:

- a. securing funding from HUD to build 100 public housing units on the land where the Lakefront Buildings stood (Exhibit B, ¶¶ 3-4);
- b. securing funding from HUD to build 200 scattered site units outside of the North Kenwood-Oakland community (which is bordered by Oakwood Boulevard on the north, the Illinois Central right-of-way on the east, 47th Street on the south, and Cottage Grove Avenue on the west) (*Id.* at ¶¶ 3 and 5);
- c. identifying and obtaining control of land in the North Kenwood-Oakland community on which it could build 141 units of scattered-site housing (*Id.* at ¶¶ 3 and 6);
- d. obtaining permission from the United States District Court to construct 241 units in the North Kenwood-Oakland community (*Id.* at ¶¶ 3-6); and
- e. completing construction on all 341 off-site units. (*Id.* at ¶¶ 3 and 5-6).

20. On May 13, 1996, Alexander Polikoff (attorney for the Gautreaux plaintiff class) and Daniel Levin (Habitat's chairman) sent a letter to William Wilen, then employed by the Legal Assistance Foundation of Chicago and acting as attorney for LCO, stating that if the former Lakefront tenants became dissatisfied with the pace of development of the North Kenwood/Oakland replacement housing, the Gautreaux plaintiffs' counsel and the Receiver would

support a request by the former Lakefront tenants for a hearing in front of the presiding Gautreaux judge on that issue. A copy of this letter is attached hereto as Exhibit C.

21. On May 22, 1996, CHA and the *Gautreaux* plaintiffs filed a joint motion to obtain permission from this Court to build or rehabilitate 241 units of public housing in the North Kenwood-Oakland community. Exhibit D.

22. The Court granted this motion on June 3, 1996. Exhibit E.

23. Obtaining permission from this Court to construct 241 units in the North Kenwood-Oakland community is the only precondition to demolition that CHA has satisfied.

24. It has satisfied none of the other conditions set forth above in ¶ 18.

25. Nevertheless, on December 12, 1998, CHA demolished all four Lakefront Buildings.

26. CHA has willfully breached the terms of the 1995 Agreement by demolishing the Lakefront Buildings before satisfying the preconditions for demolition.

27. LCO has no adequate remedy at law because money damages will not make the former tenants of the Lakefront Buildings whole. In the 1995 Agreement, CHA promised to build new public housing – something that is unique in character. Furthermore, it will be difficult (if not impossible) to determine the amount of damages to which LCO is entitled as a result of CHA's breach.

WHEREFORE, LCO prays that this Honorable Court:

- A. Enter a binding order requiring CHA, The Habitat Company, and Daniel Levin to do the following within the next ten months:

1. Secure funding from HUD to build 100 public housing units on the land where the Lakefront Buildings stood;
2. Secure funding from HUD to build 200 scattered site units outside of the North Kenwood-Oakland community;
3. Identify and obtain control of land in the North Kenwood-Oakland community on which it can build 141 units of scattered-site housing; and
4. Complete construction of the 441 replacement units and the community center pursuant to ¶¶ 3-6 of the 1995 Agreement;
5. Comply with ¶ 13 of the 1995 Agreement providing for the employment and training of displaced families in connection with the construction identified in the 1995 Agreement.

B. Grant such other relief as may be proper and just.

Respectfully submitted,



One of the attorneys for the intervenor

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MEMORANDUM OF ACCORD REGARDING RELOCATION OF RESIDENTS
FROM THE LAKEFRONT PROPERTIES PURSUANT TO THE CIAP
REHABILITATION PROJECT

May 27, 1986

MEMORANDUM OF ACCORD REGARDING RELOCATION OF RESIDENTS
FROM THE LAKEFRONT PROPERTIES PURSUANT TO THE CIAP
REHABILITATION PROJECT

The parties hereto enter this Agreement based upon a common goal and objective that the proposed rehabilitation of the Lakefront Properties be completed in an expeditious and fair manner consistent with Federal Modernization Program requirements and to assure that the proposed rehabilitation be implemented in a manner which safeguards the rights of the affected resident community. The resident population of the Lakefront Properties as of October 1, 1985 and thereafter are the intended beneficiaries of this Agreement.

The Chicago Housing Authority (CHA) and the Lakefront Community Organization (LCO), individually and through their attorneys, hereby agree to the following procedures and requirements regarding the relocation of residents from the Lakefront Properties (the Olander Homes, 3939 S. Lake Park Avenue; Olander Extension, 3833 S. Lake Park Avenue; and the three (3) building complex in Lake Michigan Homes at 41st Street and Lake Park) pursuant to the Comprehensive Improvement Assistance Program ("Modernization Program") authorized by 42 U.S.C. § 1437(l) and 24 C.F.R. § 968. CHA has consulted with the Presidents of the Local Building Councils of the Lakefront Properties and they agree to support this Agreement.

By entry into this Memorandum of Accord the parties hereto agree to comply with all terms and conditions set forth herein, agree to cooperate and support implementation of this Memorandum of Accord and hereby acknowledge that substantial breach of this Agreement shall be enforceable by a party hereto pursuant to any existing administrative or legal remedy authorized by law.

Accordingly, the parties hereby agree as follows:

1. The parties support and will urge adoption by the CHA Board of Directors at their May Board Meeting of this Memorandum of Accord and the first six recommendations previously made by the Lakefront Properties Task Force regarding the proposed rehabilitation. These six recommendations are attached hereto as Appendix 1 and are incorporated herein.

2. The parties support the proposed rehabilitation of these properties and recognize that all families will have to be moved at lease once in order that the rehabilitation can be completed.

3. Because some families will not be able to be moved to other CHA developments (e.g. large family, no unit available), or that some families will not be able to be relocated under the Section 8 program, (e.g., landlords unwilling to rent to families with teenage children), the parties agree upon a phased relocation proposal. To determine how units within the Lakefront Properties will be made available during rehabilitation, the following priorities shall be adopted:

(a) first priority for apartments will be given to current lease holders who satisfy CHA eligibility criteria and who are handicapped or who are seriously ill or who have handicapped or seriously ill family members;

(b) second priority shall be given to families that are eligible for 4 bedroom or larger size units under CHA occupancy guidelines;

(c) third priority shall be given to families with minor children above the age of 14;

(d) fourth priority shall be given to

for as with minor children 14 year of age or younger facing unusual housing difficulties, e.g., day care needs for children of working mother;

(e) all other units shall be prioritized to families requesting to stay in the Lakefront Properties based upon seniority to be determined by the date that the original dwelling lease was signed by the family;

(f) families who wish to remain in the Lakefront Properties during rehabilitation shall be allowed to do so consistent with the above priorities. If the number of available vacant units is not sufficient to house all families who have requested to remain in the Lakefront Properties those families who cannot be accommodated will be offered apartments at the Wells/ Washington developments, and all other CHA developments, to the extent that units are available to all other residents;

(g) no CHA apartments shall be offered to affected residents as relocation housing in "as is" condition. All units under the program offered to residents must satisfy state, city and federal regulations regarding health and safety. No resident will be asked to move to a unit which is not properly repaired or brought up to code standard.

4. To facilitate the phased rehabilitation and relocation, the parties recognize that security considerations may require the temporary removal of fixtures from vacant apartments. However, the

removal of such fixtures shall not eliminate that apartment from subsequently being made temporarily available to house families who remain in the Lakefront Properties during rehabilitation.

5. The increasing vacancy rate in the property requires that CHA provide additional security measures in the development. These may include:

(a) additional security personnel at the buildings;

(b) access to monthly reports indicating the number, nature and building location of alleged incidents; and

(c) establishment of a security "hotline" or other service to be made available to residents.

6. All families who currently reside in the Lakefront Properties and all families who have moved out of the Lakefront Properties since October 1, 1985 in connection with the proposed rehabilitation, shall have the right to return as a tenant in the Lakefront Properties after the rehabilitation is completed except those tenants:

✓ (a) who because of income or family composition are no longer qualified for CHA;

(b) who prior to their moving out of the Lakefront Properties had a court eviction order terminate their right to continue to occupancy in CHA.

✓ (c) who are evicted for "good cause" as set forth at 24 C.F.R. § 966.4(1)(1) or other

the period of relocation;

3. (d) who are relocated outside of CHA housing during the period of rehabilitation

but who have committed acts, during the period of rehabilitation, which constitute a threat to the health and safety of other

2. — CHA tenants or employees as that term is defined in CHA Administrative Circular 1798.

Provided, however, that families who are determined ineligible to return based upon such charge shall be entitled to written notice and a hearing to challenge such determination as set forth in CHA Administrative Circular 1797;

(e) who left CHA owing rent and who after a reasonable opportunity to resolve any account balance refuse or are unable to resolve any rent arrearage.

7. CHA shall provide all residents with all relocation benefits and assistance required by federal law according to standards set forth under the Uniform Relocation Assistance Act at 24 C.F.R. Part 42, in both moving out of the Lakefront Properties and moving back into the properties after rehabilitation. Families who elect to permanently relocate under the Section 8 program shall be furnished with Section 8 certificate for the fullest term authorized by law.

8. In consideration of the Agreement by CHA to adopt and commit to comply with the above procedures, the LCO agrees to provide

all reasonable assistance and cooperation with IA to insure the prompt and fair implementation of the plan.

9. CHA shall agree to hire and train residents who were certified leaseholders on October 1, 1985 to perform certain of the work to be performed during rehabilitation. Residents shall have priority for jobs to the maximum extent feasible and available. CHA shall further provide training for interested residents regarding management and operation of the building after rehabilitation.

The Presidents of the Local Building Councils for the Lakefront Properties, as representatives of the Local Advisory Council, and the President of the Local Advisory Council hereby acknowledge that CHA consulted with them, that have reviewed the terms of this Agreement and hereby agree with its provisions. By signing this document we hereby agree to support this Memorandum of Accord.

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Executive Director
Chicago Housing Authority

Joseph Garoner
Deputy Executive Director
Chicago Housing Authority

James Thomas
General Counsel
Chicago Housing Authority
22 West Madison Street
Chicago, Illinois 60602

Dossie Evans
Dossie Evans
President, Building Council
4155 S. Lake Park

Hazel Gates
Hazel Gates
President, Building Council
3938 S. Lake Park

Gladys McKinney
Gladys McKinney
President, Building Council
4040 S. Oakerwald

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Executive Director
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Charlotte Trotter
Charlotte Trotter
President, Building Council
1130 E. 42nd Street

Shirley Howard
Shirley Howard (for)
Shirley Howard
President, Building Council
3939 S. Lake Park

Janice Jackson
Janice Jackson
President, Building Council
1132 E. 42nd Street

Quiana Randolph
Quiana Randolph
President
Washington Park Local
Advisory Council

sites, which are acceptable to LCO.

7. CHA shall apply to HUD for three hundred and two (302) Section 8 certificates for use as replacement housing. In the event CHA's Section 8 replacement housing application is not funded by HUD, either in whole or in part, CHA will make available up to 302 Section 8 certificates from its own inventory of Section 8 certificates to meet the replacement housing needs of displaced Lakefront tenant families.

8. Subject to the court order discussed in paragraph 3(c)(ii) of this Agreement, CHA shall offer, on a first priority basis, all units developed under paragraphs 4, 5 and 6 of this Agreement and all Section 8 certificates provided under paragraph 7 of this Agreement, (up to a combined maximum of 604 units and certificates), to eligible displaced Lakefront tenant families. Eligible families are all displaced Lakefront tenant families except those:

(a) who because of income are no longer eligible for CHA housing;

(b) who prior to moving out of the Lakefront Properties were subject to a written eviction order terminating their right to continued occupancy at CHA;

(c) who have been evicted from public housing for "good cause" as set forth at 24 CFR Section 966.4(1)(2) or other serious violation of their lease during the period of relocation;

(d) who have been relocated outside of CHA housing but who, during the period of relocation, have been convicted of a felony involving physical violence to persons or crimes against property that adversely affect the health, safety or welfare of other persons or the misdemeanors of aggravated assault, unlawful use of a weapon, battery or criminal damage to property;

(e) who left CHA owing rent and who after a reasonable opportunity to resolve any account balance refuse or are unable to resolve any rent arrearage within a reasonable time of any determination of ineligibility.

Any displaced Lakefront tenant family determined to be ineligible for replacement housing pursuant to the provisions of this paragraph will be entitled to appeal the determination of ineligibility to a committee composed of three members chosen by LCO and three members chosen by CHA. This committee shall have access to all relevant documents that led to the finding of ineligibility, shall consider any evidence of rehabilitation of the tenant family or any evidence of the tenant family's willingness to participate in social service or other appropriate counseling service programs, and shall be empowered to waive any

or all rent arrearages for good cause shown and to establish a reasonable installment payment plan.

This committee shall initially screen the tenants who shall reside in the housing to be provided under this Revised Agreement. After initial occupancy is completed the committee shall be expanded to nine (9) members, with the three (3) additional members to be selected from the residents who will reside in the new housing to be built under this Revised Agreement.

9. Up to a maximum of 604 eligible displaced Lakefront tenant families shall be afforded either their first or their second housing choice pursuant to paragraph 8 of this Agreement. CHA, through its tenant selection and assignment procedure, shall maintain a parity in the occupancy of public housing units developed pursuant to paragraph 4 of this Agreement between eligible low income and very low income families, as those terms are defined in 24 CFR Section 913.102. In the event that CHA's obligation to afford up to 604 displaced Lakefront tenant families with either their first or second housing choices cannot be reconciled with CHA's obligation to maintain a parity in the occupancy of public housing units, as required by this paragraph, CHA and LCO will negotiate a mutually agreeable amendment to this Agreement.

10. CHA shall negotiate and attempt to reach agreement with the LCO with respect to all matters involving the displaced Lakefront tenant families, including but not limited to agreement with the Gautreaux-appointed Receiver and/or the Joint Venture relative to the site selection and design of all housing units constructed, rehabilitated or otherwise made available for occupancy pursuant to the terms of this Agreement and with CHA relative to the management and operation of all housing units constructed, rehabilitated or otherwise made available for occupancy pursuant to the terms of this Agreement.

11. CHA, with the assistance of LCO, shall conduct an aggressive outreach campaign to contact eligible displaced Lakefront tenant families in order to determine whether they wish to avail themselves of the housing opportunities being provided under this Agreement. CHA and LCO shall enter a side agreement setting forth the timing, scope and terms of the outreach program. A bar date will be fixed after which there will be no further right to replacement housing under this Agreement. Consistent with the outreach program developed by and agreed to by CHA and LCO, CHA will make all reasonable efforts to locate displaced Lakefront tenant families up to the bar date.

12. All displaced Lakefront tenant families who avail themselves of the replacement housing opportunities being provided under paragraphs 4, 5, 6 and 7 of this Agreement

shall be moved by CHA, at CHA's expense, or paid by CHA the amount of actual, reasonable moving costs, including the actual, reasonable costs of utility reconnection.

13. The Gautreaux-appointed Receiver shall comply with Section 3 requirements in the demolition and construction identified in the Agreement, and shall work with CHA and LCO in identifying members of displaced Lakefront tenant families as eligible for training and employment opportunities pursuant to Section 3. CHA, directly or through its agent, shall provide training for interested residents regarding management and operation of the replacement housing units being provided pursuant to this Agreement.

14. By signing this document, LCO and CHA hereby agree that this Revised Agreement replaces and supplants the Memorandum of Accord entered into on May 27, 1986. However, if the conditions set forth in paragraph 3 of this Agreement for demolition of the four remaining Lakefront properties are not satisfied by January 1, 1996, LCO may give CHA seven days notice of its intent to declare a breach of this Agreement. If those conditions are not satisfied within that seven day notice period, LCO may declare a breach of this Agreement. Upon such a declaration of breach, this Revised Agreement shall be null and void, and the terms and conditions of the original Memorandum of Accord, dated May 27, 1986, shall be reinstated.

15. The construction or rehabilitation of the replacement housing required under paragraphs 5 and 6 of this Agreement shall commence within ten months after satisfaction of the conditions set forth in paragraph 3 of this Agreement for demolition of the four remaining Lakefront properties and shall be completed within a reasonable time, as that term is defined by current construction industry standards for the type of construction and rehabilitation contemplated by the agreement. If the construction or rehabilitation of the replacement housing required under paragraphs 5 and 6 of this Agreement has not commenced within ten months after satisfaction of the conditions set forth in paragraph 3 of this Agreement for demolition of the four remaining Lakefront properties or is not completed within ten months thereafter, LCO shall give CHA sixty days notice of its intent to declare a breach of this Agreement prior to instituting any suit to enforce the terms of this Agreement.

16. CHA's entry into this Revised Agreement in the context of the unique circumstances involving the displacement and relocation of the former residents of the Lakefront Properties shall not be deemed a precedent with respect to the relocation and replacement housing rights of other CHA tenants families who may be displaced and relocated from their present housing units as a consequence of future demolition of CHA housing units.

17. This agreement shall be governed as to performance and interpretation in accordance with the laws of the State of Illinois. In construing the terms of this Agreement, neither CHA nor LCO shall be deemed the drafter of this Agreement.

18. In consideration of the Agreement by the CHA to enter into the above obligations, the LCO agrees to support CHA's application to HUD for demolition of the Lakefront Properties. Both parties to this agreement agree to comply with all terms and conditions set forth herein, agree to cooperate and support implementation of this agreement and acknowledge that this agreement is intended by the parties to be a binding contract enforceable by either party in any court of competent jurisdiction.

19. CHA shall reimburse LCO for all reasonable expenses incurred by LCO members in connection with the implementation of this Revised Agreement, including car fare and transportation, telephone and copying expenses. Such reimbursement shall be provided by CHA within 30 days of submission by LCO of reasonable proof of expenditures to CHA.

EXECUTED THIS 22nd DAY OF September 1995
IN CHICAGO, ILLINOIS

FOR THE LAKEFRONT COMMUNITY
ORGANIZATION:

By: Clara Dixon
CLARA DIXON, President

By: Izora Davis
IZORA DAVIS
Executive Board Director

By: John Williams
JOHN WILLIAMS
Executive Board Director

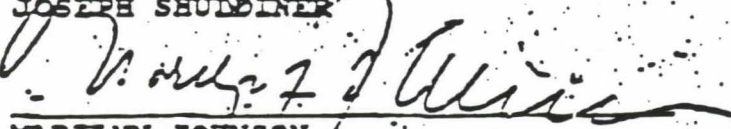
By: Darlene Rush
DARLENE RUSH
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1116
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FOR THE CHICAGO HOUSING AUTHORITY:

By:


JOSEPH SHULDINER


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Attorney for CHA

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

DOROTHY GAUTREAUX, et al.	)	
	)	
Plaintiffs,	)	
	)	
vs.	)	66 C 1459
	)	66 C 1460
CHICAGO HOUSING AUTHORITY and	)	
HENRY CISNEROS, Secretary of	)	(Consolidated)
Department of Housing and Urban	)	
Development,	)	
	)	
Defendants.	)	

JOINT MOTION OF PLAINTIFFS, AND DEFENDANTS
CHICAGO HOUSING AUTHORITY AND DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT, FOR AN ORDER
DESIGNATING A NORTH KENWOOD-OAKLAND REVITALIZING AREA AND
AUTHORIZING THE DEVELOPMENT OF
SCATTERED SITE PUBLIC HOUSING UNITS THEREIN

Plaintiffs, and Defendants Chicago Housing Authority and
Department of Housing and Urban Development, by their respective
attorneys, move this court for an order in the form attached
hereto:

(1) designating as the North Kenwood-Oakland Revitalizing
Area that portion of the City of Chicago that lies between
Oakwood Boulevard on the north, the Illinois Central Railroad
right-of-way on the east, 47th Street on the south, and Cottage
Grove Avenue on the west (the "Revitalizing Area"), and

(2) authorizing the development, through new construction or
rehabilitation of existing buildings, of not more than 241 units
of public housing within the Revitalizing Area.

In support of this motion, the parties state as follows:

1. In 1986, the proposed Revitalizing Area contained

approximately 1,066 family public housing units. One hundred and three units were in six CHA high-rise buildings, known as the Lakefront Properties, located along Lake Park Avenue between Oakwood Boulevard on the north and 42nd Place on the south. Of the remaining 163 units, 151 were in a combination of high-rise and mid-rise buildings in CHA's Washington Park homes development, on a block bounded by 41st Street on the north, Drexel Boulevard on the east, Bowen Avenue on the south and Cottage Grove Avenue on the west (the "Washington Park site"). The remaining 12 were in a small building at 900 East 40th Street ("the 900 Building").

2. In 1986, CHA and the Lakefront Community Organization ("LCO"), representing the tenants of the Lakefront Properties, entered into a Memorandum of Accord. A copy of the 1986 Memorandum of Accord is attached hereto as Exhibit A. Under the Memorandum of Accord the tenants agreed to leave their homes voluntarily, and CHA agreed to rehabilitate the Lakefront Properties buildings and grant to the displaced families "the right to return as a tenant in the Lakefront Properties after the rehabilitation is completed." (§ 6)

3. In 1990 and 1991, CHA extensively rehabilitated the two northernmost Lakefront Properties high-rises, turning them into attractive, landscaped buildings, now known as Lake Parc Place. As authorized by Congressional legislation, CHA established a mixed-income tenancy for Lake Parc Place, reserving half the units for working families, i.e., families earning between 50%-80% of the median income for the Chicago Metropolitan Area (for a

family of four in 1996 an income of \$27,500 - \$41,600).

4. Also in 1990-1991, the Receiver developed 15 new scattered site public housing units at 4525 South Lake Park Avenue.

5. In 1995, while discussions were underway concerning the remaining four Lakefront high-rises, CHA demolished the 151 units on the Washington Park site and the 12-unit 900 Building.

6. After lengthy discussions, in September, 1995, CHA and LCO entered into a supplemental agreement modifying the Memorandum of Accord ("Revised Agreement"). The Revised Agreement is attached hereto as Exhibit B. The Revised Agreement reflects a "shared recognition and understanding that the rehabilitation of the four remaining Lakefront Properties . . . is neither desirable nor appropriate," as well as a "common goal of providing suitable housing choices to the former residents of the Lakefront Properties, including the choice to move back into the North Kenwood-Oakland community." (p. 1)

7. The Revised Accord provides that, instead of rehabilitation, the four remaining high-rises, containing approximately 603 units, should be demolished. (§1) The Revised Accord provides further that replacement housing for the demolished units should take the following form: (1) up to 241 units in North Kenwood-Oakland, including 80-100 units on the site of the to-be-demolished Lakefront high-rises and an additional 141 units scattered throughout the area, including on the Washington Park site; (2) 200 additional units outside of North Kenwood-Oakland; and (3) up to 302 Section 8 certificates.

8. The Revised Accord also provides that CHA shall achieve a mixed-income occupancy of the 80-100 new units on the site of the Lakefront high-rises by maintaining a "parity ... between eligible low income [50-80% of median income] and very low income families...." (19) Finally, the Revised Accord provides that the displaced Lakefront tenant families should have first priority, subject to Court approval, to all of the replacement units. (18)

9. Movants believe the replacement housing provisions in the Revised Accord are appropriate and desirable for a number of reasons. First, the proposed demolition and replacement housing would complete a radical transformation of public housing in the Revitalizing Area. The number of family public housing units in the Revitalizing Area would be reduced by approximately 50% from 1986 levels, i.e., from 1,066 to 538. In addition, the concentration of the remaining units would be greatly reduced. The family units in the Revitalizing Area would be privately managed and in mixed-income configurations.

10. Second, the proposed Revitalizing Area satisfies the Gautreaux "revitalizing" criteria, and would therefore be an appropriate location for the provision of low-rise public housing. The revitalizing character of the area is evidenced by the following:

- Major ongoing efforts by institutional actors, including the City and the Fund For Community Redevelopment and Revitalization (which is funded by the MacArthur Foundation), to bring about revitalization in North Kenwood-Oakland;
- An increasingly active private residential real estate market in the Revitalizing Area, including the

constructi of new, market rate housin and plans to develop additional market rate housing;

- Substantial and increasing investment by residents of the Revitalizing Area in home repair and rehabilitation;
- Steady increases in the number and value of bank loans within the Revitalizing Area;
- New commercial development, both completed and planned, along 47th Street;
- Substantial efforts to improve area schools, including two new public schools planned to open in the Revitalizing Area in September, 1996;
- Community amenities favoring continuation of the already-occurring revitalization, including a choice lakefront location, excellent access to transportation, and ample available land for development at reasonable prices; and
- Burgeoning development in nearby areas, particularly South Kenwood.

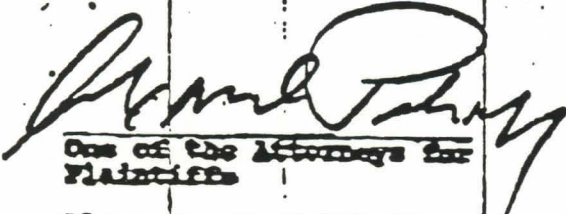
11. Movants are authorized to represent to the Court that the Receiver supports this motion and that the City of Chicago has no objection thereto.

12. Proposals to locate new public housing in the Revitalizing Area have been the subject of several meetings of community residents. The community is divided respecting the development of new public housing in the area, with some residents in support and many others opposed.

WHEREFORE, Plaintiffs, and Defendants Chicago Housing Authority and the Department of Housing and Urban Development, request the Court to enter an order in the form attached hereto, (1) designating as the North Kenwood-Oakland Revitalizing Area that portion of the City of Chicago that lies between Oakwood Boulevard on the north, the Illinois Central Railroad right-of-

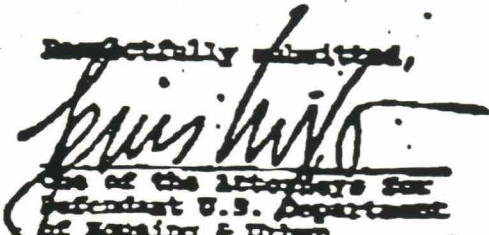
way on the east, 47th Street on the south, and Cottage Grove Avenue on the west, and (2) authorizing the development of not more than 241 units of public housing within the Revitalizing Area.

May 22, 1956

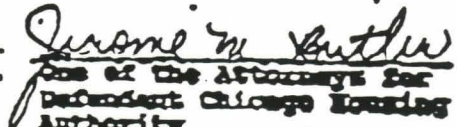

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Respectfully submitted,


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permitted public or assisted housing to be provided in census tracts not within the General Public Housing Area upon a sufficient showing of "revitalizing" circumstances such that a responsible forecast of economic integration, with a longer term possibility of racial desegregation, could be made; and

The Court being of the view that such a forecast can be made with respect to the North Kenwood-Oakland Revitalizing Area if the terms and conditions of this order are met;

Now, therefore, IT IS HEREBY ORDERED:

1. The Court designates as the North Kenwood-Oakland Revitalizing Area ("Revitalizing Area") that portion of the City of Chicago that lies between Oakwood Boulevard on the north, the Illinois Central Railroad right-of-way on the east, 47th Street on the south, and Cottage Grove Avenue on the west;

2. The Receiver, previously appointed by the Court to develop scattered site public housing on behalf of the defendant, Chicago Housing Authority, shall be free to develop, through new construction or rehabilitation of existing buildings, up to 241 units of public housing within the Revitalizing Area, subject to the following conditions:

- a) No more than 100 units of public housing shall be developed on CHA-owned land that is the site of CHA's Lakefront high-rise buildings (the area bounded by 40th Street on the north, the Illinois Central Railroad right-of-way on the east, 42nd Place on the south, and Lake Park Avenue on the west).

- b) No more than approximately 50 units of public housing shall be developed on the site of the demolished Washington Park buildings (the CHA-owned property bounded by 41st Street on the north, Drexel Avenue on the east, Cottage Grove Avenue on the west, and Bowen Avenue on the south) and adjacent property.
- c) The balance of such units of public housing within the Revitalizing Area, in addition to those referred to in subparagraphs (a) and (b) above, shall be developed on other sites distributed throughout the Revitalizing Area.
- d) One-half of the public housing units developed pursuant to subparagraphs (a) and (b) above shall be occupied by families whose incomes are in the range of 50-80% of the median income in the Chicago Metropolitan Area, and such units shall be geographically distributed approximately evenly among the units developed pursuant to subparagraphs (a) and (b).

3. The CHA Tenant Selection and Assignment Plan previously approved by this Court shall be modified to afford eligible displaced Lakefront tenant families, as defined in the "Revised Agreement Regarding Former Residents of the Lakefront Properties and the Future Use of Those Properties," dated September 22, 1995, between CHA and the Lakefront Community Organization, first

priority to all public housing units developed pursuant to subparagraphs 2(a), (b) and (c) of this Order, subject only to the provisions of subparagraph 2(d) of this Order.

ENTER:

Walter E. Cooper

Judge

Date: *June 3*
~~May 3~~, 1996

United States District Court, Northern District of Illinois

Name of Assigned Judge or Magistrate Judge	Marvin Aspen	Sitting Judge if Other than Assigned Judge	
CASE NUMBER	66 C 1459	DATE	4/7/1999
CASE TITLE	Gautreaux' vs. CHA		

[In the following box (a) indicate the party filing the motion, e.g., plaintiff, defendant, 3rd party plaintiff, and (b) state briefly the nature of the motion being presented.]

MOTION:

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DOCKET ENTRY:

- (1) ☐ Filed motion of [use listing in "Motion" box above.]
- (2) ☐ Brief in support of motion due ____.
- (3) ☐ Answer brief to motion due _____. Reply to answer brief due _____.
- (4) ☐ Ruling/Hearing on _____ set for _____ at _____.
- (5) ☐ Status hearing[held/continued to] [set for/re-set for] on _____ set for _____ at _____.
- (6) ☐ Pretrial conference[held/continued to] [set for/re-set for] on _____ set for _____ at _____.
- (7) ☐ Trial[set for/re-set for] on _____ at _____.
- (8) ☐ [Bench/Jury trial] [Hearing] held/continued to _____ at _____.
- (9) ☐ This case is dismissed [with/without] prejudice and without costs[by/agreement/pursuant to]
☐ FRCP4(m) ☐ General Rule 21 ☐ FRCP41(a)(1) ☐ FRCP41(a)(2).
- (10) ☒ [Other docket entry] Second motion of the Lakefront Community Organization to intervene (0-1) is denied.
- (11) ☐ [For further detail see order (on reverse side of/attached to) the original minute order.]

☐	No notices required, advised in open court.		24	
☐	No notices required.		number of notices	
☒	Notices mailed by judge's staff.			
☐	Notified counsel by telephone.		date docketed	
☐	Docketing to mail notices.		docketing deputy initials	
☐	Mail AO 450 form.		4/7/1999	
☐	Copy to judge/magistrate judge.		date mailed notice	
GL	courtroom deputy's initials		GL	
		Date/time received in central Clerk's Office	mailing deputy initials	